



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 29 2014
WWW.JUSTICE.GOV

AT
(202) 514-2007
TTY (866) 544-5309

TOYODA GOSEI CO. LTD. AGREES TO PLEAD GUILTY FOR FIXING PRICES AND RIGGING BIDS ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS

Company Agrees to Pay \$26 Million Criminal Fine

WASHINGTON – Toyoda Gosei Co. Ltd., an automotive parts manufacturer based in Aichi, Japan, has agreed to plead guilty and to pay a \$26 million criminal fine for its role in conspiracies to fix prices and rig bids for automotive hoses, airbags and steering wheels sold to automobile manufacturers, the Department of Justice announced today.

According to a two-count felony charge filed today in the U.S. District Court for the Northern District of Ohio in Toledo, Toyoda Gosei conspired to fix the prices of certain automotive hoses sold to Toyota Motor Corp. and certain of its subsidiaries, affiliates and suppliers (collectively Toyota), in the United States; and conspired to fix the prices of automotive airbags and steering wheels sold to Toyota and Fuji Heavy Industries Ltd. and certain of its subsidiaries, affiliates and suppliers, and certain of their subsidiaries, affiliates and suppliers (collectively Subaru), in the United States and elsewhere. In addition to the criminal fine, Toyoda Gosei has agreed to cooperate in the department's ongoing investigation. The plea agreement will be subject to court approval.

"When purchasing an automobile, American consumers should feel confident that the sticker price is based on fair market costs to manufacture the vehicle," said Brent Snyder, Deputy Assistant Attorney General for the Antitrust Division's criminal enforcement program. "The Antitrust Division will continue to prosecute cases in the auto parts industry to ensure fair and competitive prices are maintained."

Toyoda Gosei and its co-conspirators, according to the charges, conspired through meetings and conversations in which they discussed and agreed upon bids and price quotations to be submitted to certain automakers and to allocate the supply of the products to those automakers. In furtherance of the agreements, Toyoda Gosei sold certain automotive hoses at noncompetitive prices to Toyota in the United States, and sold airbags and steering wheels at noncompetitive prices to Toyota and Subaru in the United States and elsewhere. Toyoda Gosei's involvement in the automotive hoses conspiracy lasted from at least as early as February 2004 until at least September 2010 and its involvement in the automotive airbags and steering wheels conspiracy lasted from at least as early as September 2003 until at least September 2010.

Toyoda Gosei manufactures and sells a variety of automotive parts, including certain automotive hoses, airbags and steering wheels. The charges against Toyoda Gosei are the latest in the department's ongoing investigation into anticompetitive conduct in the automotive parts industry. These are the first charges filed relating to automotive hoses sold to automobile manufacturers.

To date, 43 individuals have been charged in the government's ongoing investigation into price fixing and bid rigging in the auto parts industry. Twenty-nine companies, including Toyoda Gosei, have pleaded guilty or agreed to plead guilty and have agreed to pay a total of nearly \$2.4 billion in fines.

Toyoda Gosei is charged with price fixing and bid rigging in violation of the Sherman Act, which carries a maximum penalty for corporations of \$100 million for each violation. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charge is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by the Antitrust Division's criminal enforcement sections and the FBI. Today's charge was brought by the Antitrust Division's Chicago Office and the FBI's Cleveland Field Office, Lima Resident Agency, with the assistance of the FBI headquarters' International Corruption Unit and the U.S. Attorney's Office for the Northern District of Ohio. Anyone with information on price fixing, bid rigging and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, visit www.justice.gov/atr/contact/newcase.html or call the FBI's Cleveland Field Office at 216-522-1400.

#